



Committee on Finance and the Northampton City Council

*Councilor David A. Murphy, Chair
Councilor Maureen T. Carney
Councilor Marianne L. LaBarge
(Vacant)*

Meeting Minutes

**City Council Chambers, 212 Main Street
Wallace J. Puchalski Municipal Building
Northampton, MA**

Meeting Date: June 23, 2016

1. **Meeting Called To Order:** At 7:21 p.m. Councilor Murphy called the meeting to order.
2. **Roll Call:** Present at the meeting were: Councilors Murphy, LaBarge and Carney. Also present from the City Council were: Councilors Dwight, Bidwell, O'Donnell, Sciarra and Klein.
3. **Approval Of Minutes From The Previous Meeting**
 - a. Minutes Of June 2, 2016: Councilor LaBarge moved to approve the minutes of June 2, 2016; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.
4. **Financial Orders**
 - A. **16.094 Financial Order To Appropriate \$84,044,076 For FY2017 General Fund Budget**
 - Councilor LaBarge moved to approve the order; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

Mayor Narkewicz noted that the Council has received a copy of the FY17 budget where all of the priorities have been laid out for the upcoming fiscal year. The budget fits within the multi-year stability plan that has already been presented to Council. The Mayor indicates that the budget allows the City to maintain level city services while trying to provide for key capital projects.

Councilor Dwight notes that there were a series of budgetary hearings where the budget was discussed at length. Many Councilors participated in the budget hearings. Councilor Dwight expressed confidence in the Mayor and his team, especially to the Finance Director, Susan Wright; the team has crafted a progressive budget with vision; in keeping with the Mayor's promise, there will be no overrides or layoffs. The City is not facing a fiscal crisis which is only possible by prudent design and crafting. Public input is usually gotten throughout the year pertaining to key items and priorities. It is disappointing that the public is not present to speak

to this budget. A City's budget expresses the priorities of the community and Councilor Dwight feels that this budget conforms to what the community wants. Councilor Dwight thanked the Mayor for his efforts.

Mayor Narkewicz stated that for most of the years that he was on the City Council, budgeting started with a premise of a zero percent increase, and so the question was always how do we cut in order to do that, especially on the school side. The community overwhelmingly supported the Mayor's plan, and he has tried to keep the community updated about the fiscal stability of the City, and in fact is presented as part of the budget. He has also worked on ways to save money, including the consolidation of City Treasurer and Collector positions; to seek grants; to re-finance long term debt. The Mayor points out that NPS is doing some exciting work; the administrative team has spent a lot of time thinking about what their priorities are. They are working toward meeting priorities, such as adding credited librarians in elementary schools, expanding pre-school opportunities, adding STEM programs, etc. The City is also attempts to expand Arts and Culture opportunities; last year there was a small increase to support the fireworks for First Night. This year there were additional funds added to the Arts and Culture budget. Capital projects are equally as important, such as supporting paving projects.

Councilor Dwight noted that the City's bond rating has improved. When the Mayor initially took over, the Standard and Poor's bond rating was A+; the City recently learned that its rating is now triple A. The Mayor points out that this is the result of fiscal discipline, and one of the goals was to rebuild reserves over time. This seems to have paid off.

Councilor Bidwell noted that he is impressed with the discipline and strategy that is used to create the budget and brought us where we are today. He is proud to be associated with a City that has such a plan. He participated in the Scanlon Audit Review a few months back where several key fiscal strengths were reviewed. Councilor Bidwell chooses to believe that the lack of comment regarding the budget is a sign of confidence in the way the City's finances are being managed. The budget message, in combination with the opportunity to talk with department leaders, leaves councilor Bidwell quite impressed with the process by which the budget was developed. Also, the product itself (the budget) is clear and understandable.

Councilor O'Donnell noted that in addition to the expenditures that are being made, on the revenue side, an important feature is economic growth that has expanded the City's tax base. Mayor Narkewicz noted that this is a highlight in his budget message. In 2013 new growth was averaging \$500,000; over the last two years new growth has been in the \$900,000 range. New growth ties into the bond rating as well. With proposition 2-1/2, new growth is the only way to add to the tax base. Councilor O'Donnell noted that the reserves are strong, the stability reserve fund is there and every year when the plan is re-visited, the City has been able to add to the fund. The City is being conservative in its new growth numbers (FY17 equals \$600,000).

Councilor LaBarge thanked the Mayor and his staff for the thorough information that is available about the budget. It was helpful to hear from the department leaders about their individual budgets.

Mayor Narkewicz indicated that he has also worked to find new revenue; the Payment In Lieu of Taxes program is just one example. This is important because certain costs continue to grow, including health care costs. Retirement is also a fixed cost that is an on-going obligation.

Councilor LaBarge asked about the lifting of the cap for charter schools. She thinks that the residents need to be educated about what a lifting of the cap would mean. Mayor Narkewicz noted that in November, if the lifting of the cap were voted in, it is unclear whether the State Legislature would immediately act on the issue. The process of opening a charter school would take some time. The Mayor has been proactive in explaining what the Charter School impact has had on the City (reference the joint city-school budget meeting that was held early in the year). The City is estimating a little over 200 students will result in over \$2 million in outgoing tuition.

Councilor Murphy commends the Mayor and the Finance Director for doing really good work and in the process, raising the bond rating so that if we do need to borrow money, that we can do so under more favorable terms. He is somewhat disappointed that the City is about to vote on an \$84 million budget without public comment and he wished that he shared Councilor Bidwell's confidence that it was the consent of the governed, and not their ambivalence.

Councilor Sciarra thought it was striking that the City spends more on out-going tuition for Charter schools than it does for all of the City's elementary schools. There does appear to be more programming going into schools this year. It can't be over-emphasized about the job that the Superintendent and the School's Finance Director have done.

B. 16.095 Financial Order Appropriate The Sum Of \$588,450 For The FY17 Solid Waste Enterprise Fund Budget

- Councilor LaBarge moved to approve the order; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

The Mayor points out that this is a shrinking enterprise fund, and that the City continues to operate the landfill on some level, including monitoring and post-closure activities. There are no increases proposed in this budget.

C. 16.096 Financial Order To Appropriate The Sum Of \$6,271,872 For The FY2017 Sewer Enterprise Fund Budget

- Councilor LaBarge moved to approve the order; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

Mayor Narkewicz points out that there was a lengthy public debate about the water/sewer rates and that this budget and the water enterprise budget highlight the spending priorities and the capital projects that were outlined when the proposed rates were brought forward. The budget also provides a summary of indirect costs for all enterprise funds. The indirect costs have been decreasing over time.

Councilor LaBarge asked about the Sewer Debt amount of \$445,864; Director Wright explained that this was principle and interest on loans taken out for the treatment plant.

D. 16.097 Financial Order To Appropriate The Sum Of \$7,463,768 For The FY17 Water Enterprise Fund Budget

- Councilor LaBarge moved to approve the order; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

E. 16.098 Financial Order To Appropriate The Sum Of \$1,957,558 For The FY17 Storm Water Enterprise Fund Budget

- Councilor LaBarge moved to approve the order; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

Councilor O'Donnell noted that there was a \$1 difference between this order and the amount noted General Fund order. Director Wright suggested that this was due to rounding off of the amounts.

Mayor Narkewicz commented that there was a commitment made to keep this fund at or below \$2 million, and that the fund is going down about \$17,000 this year. Mayor Narkewicz was just at a meeting of Mayors in New Bedford along with the commissioner of DEP. The MS4 Permit that was talked about 2 – 3 years ago is now a real permit that is being issued by EPA. Many cities and towns are beginning to scramble to figure out how to pay for the new requirements that the EPA wants done. The City of Northampton has been planning for this and the Mayor feels that the City is in a good position to comply with the regulatory requirements. On the stormwater side, the City has been trying to comply with the flood control requirements. This City has been forward looking and deserves proper credit for being prepared to meet the requirements.

F. 16.099 Financial Order To Approve Revolving Fund Accounts For FY2017

- Councilor LaBarge moved to approve the order; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

G. 16.101 Financial Order To Appropriate Capital Projects From FY2016 GF Undesignated Fund Balance

- Councilor LaBarge moved to approve the order; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

H. 16.102 Financial Order To Appropriate Capital Projects From Receipts Reserved For Appropriation – Parking

- Councilor LaBarge moved to approve the order; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

I. 16.103 Financial Order To Appropriate Capital Projects From Receipts Reserved For Appropriation – Sale Of Land Account To Be Used For City-Wide Fueling Depot Project

- Councilor LaBarge moved to approve the order; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

Mayor Narkewicz explained that one of the major issues that was identified when looking at the DPW facility was the need to replace the fuel depot. This is the City's gas station. All City vehicles get their fuel from this location. It is an aging system and the tanks have a certain life to them. This project was originally part of the overall DPW facility project that has been delayed. This is a project that can be moved forward separately. The money will be coming from a sale-of-land account that was previously from land sold on Prospect Street.

J. 16.104 Financial Order To Appropriate \$51,663.36 For Police Department Firing Range

- Councilor LaBarge moved to approve the order; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

Councilor LaBarge asked if this money will be used for the final phase of setting up the firing range. The Police have been waiting a long time for this to be set up.

Mayor Narkewicz indicated that the project got delayed for two years; since that time there were some design changes and code changes that resulted in a higher price to complete the project. The shell for the firing range has been built; still to complete is the HVAC air handling and to put a lead collection system into place. There are three different funding sources to pay for the project: the total is \$163,454; the order will cover a portion while additional funds are coming from cash capital and free cash accounts. A small portion will come from the Police Department budget. No contracts have been signed to complete the project yet; funds will be available July 1st. Upon completion of this project, the Police Dept. will no longer have to pay for membership to the gun club, rent a special truck designed for shooting practice, or pay for overtime to train officers.

Councilor O'Donnell asked about the old police grants that are being used to pay for this project; Director Wright indicated that these are grants that have been on the books for more than ten years. The independent auditors suggested that the City use the money on a Police Department related expense.

Councilor Dwight noted that federal funding for police departments was withdrawn after 9-11 and then re-invested in homeland security. While there is still the practice of community policing, the funding for community policing was not a priority during the Bush Administration.

K. 16.105 Financial Order To Appropriate \$100,000 For Retrofitting/Replacement Of Windows & To Develop Plans For HVAC Solution

- Councilor LaBarge moved to approve the order; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

Councilor Bidwell noted that there has been some architecture work that has been done and questioned whether this additional work was necessary.

Mayor Narkewicz explained that there has been some schematic work that has been done, which is at the conceptual level. When a project goes out to bid, full construction design is necessary. These funds will be used for the full construction design work. Because of the cost of the project, a bid is required for designer services.

Councilor Dwight asked whether the outcome of the pending law suit would affect the status of this project. The Mayor indicated that he did not think so; the project is consistent with carrying out its responsibilities to maintain the building.

L. 16.106 Financial Order To Appropriate \$37,300 For The West Farms & Park Street Cemeteries

- Councilor LaBarge moved to approve the order; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

M. 16.107 Financial Order To Appropriate \$344,359 For Capital Projects From The Capital Stabilization Fund

- Councilor LaBarge moved to approve the order; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

N. 16.116 An Order To Allow School District To Enter Into Contracts For Instructional Materials For A Period Not To Exceed Six Years

- Councilor LaBarge moved to approve the order; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

Mayor Narkewicz indicated that the Council has been asked to approve similar orders in the past. NPS is interested in purchasing a new textbook system; there is greater savings when purchasing under a six-year contract.

O. 16.117 A Financial Order To Reprogram Funds For The Purpose Of Preparing Architectural Plans For R.K. Finn Ryan Road School Cafeteria

- Councilor LaBarge moved to approve the order; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

The Mayor explained that a renovation of the Ryan Road School cafeteria is part of the FY18 Capital Improvement plan. The School would like to get started with the design work required for this project.

Councilor LaBarge noted that the school is in dire need for this renovation.

P. 16.118 An Order To Accept Bottums Road As A City Street

- Councilor LaBarge moved to approve the order; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

Q. 16.119 Financial Order Regarding Senior Center Gift Fund Expenditures

- Councilor LaBarge moved to approve the order; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

R. 16.120 Financial Order To Appropriate \$40,000 For A Roofing Replacement Schematic Design Feasibility Study @ Leeds Elementary School

- Councilor LaBarge moved to approve the order; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

Mayor Narkewicz notes that two similar projects were done last year. The City would be able to receive greater than 50% of the cost for the project. This particular order is for another part of the Leeds School roof that was not able to be completed last year. The school committee will be adopting a similar resolution.

S. 16.121 Financial Order To Appropriate \$40,000 For A Roofing Replacement Schematic Design Feasibility Study @ Bridge Street Elementary School

- Councilor LaBarge moved to approve the order; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

T. 16.122 Order To Authorizes The Acquisition Of Two Parcels Of Land Located On The East Side Of Haydenville Road, Whately, MA

- Councilor LaBarge moved to approve the order; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

The Mayor made available a schematic showing the existing water shed and the two parcels of land that the City is planning to acquire. These are two parcels identified as part of the City's on-going effort to acquire watershed protection land around the City's reservoir. The City had originally been rejected for a drinking water supply protection grant from the DEP for such land acquisition, however, the DPW received a favorable reply provided that the City could close by June 30, 2016. The two parcels will be purchased for \$90,000 for each parcel; the DEP will be reimbursing the City \$81,775. Two readings have been requested from the City Council. Funds have already been appropriated for these types of acquisitions, so no additional funds need to be appropriated at this time. The order only asks that the Council approve the acquisition of these two parcels. The land and timber value for one parcel was appraised at \$91,348; the second parcel was appraised at \$91,909.

U. 16.123 Financial Order For Budget Transfers

- Councilor LaBarge moved to approve the order; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 Yes, 0 No, 1 Vacant.

Councilor Murphy noted that these types of transfers are typical at the end of a fiscal year to balance departmental budgets.

5. New Business - None

6. **Adjourn:** At 8:35 p.m. Councilor LaBarge moved to adjourn the meeting; Councilor Carney seconded the motion. The motion was approved on a voice vote of 3 yes, 0 No, 1 Vacant.

Prepared by:

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